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FOREIGN AGRICULTURE



April 13, 1970

**Pan American Cooperation and
80 Years of Intra-American Trade**

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VIII • No. 15 • April 13, 1970

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This week's cover:

Loading a banana train on a plantation in Ecuador for a trip to the dock—the first leg of a journey that will carry the tropical fruit to U.S. grocery stores. Bananas are only one of many large-volume intra-American trade items; for the full story see article beginning page 3.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, \$10.00 domestic, \$13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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Some of the delegates to the First International Conference of American States in front of the Wallach house on Pennsylvania Avenue in Washington, D.C.

Editors' Foreword

Intra-American political and economic cooperation began formally on April 14, 1890, when delegates to the First International Conference of American States, held in Washington, D.C., created the International Union of the American Republics—a modest organization aimed at furthering trade between American nations by gathering and disseminating information on tariffs and commerce. April 14 is now celebrated each year as Pan American Day, and 1970 is the 80th anniversary.

Over the years the responsibilities and aims of the pan-American organization have expanded and various reorganizations of its structure have been undertaken. Its name was also changed in 1948 to the Organization of American States (OAS). In 1970 a new charter, broadening the activities of the OAS and strengthening and streamlining the decision-making and administrative organizations, is in the process of being adopted. The first meeting of the new governing body of the OAS, the General Assembly, is expected to take place in mid-1970 in Santo Domingo.

Trade, and particularly agricultural trade, is of as vital importance in 1970 as in 1890 to the economies of nearly all American countries. The original purpose of pan-American cooperation is still a most important one.

Foreign Agriculture in the following articles explores both the history of intra-American agricultural trade and some production and marketing developments in specific countries.

An 80-year milestone in Intra-American Agricultural Trade

By GAE A. BENNETT
*Foreign Regional Analysis Division
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For well over a hundred years the English-speaking people of continental North America have exchanged agricultural products with the Spanish- and Portuguese-speaking peoples of Latin America and with the scattered people of the Caribbean islands.

In general, the English speakers have sold the products of temperate-climate agriculture—wheat, dairy products, non-tropical fruits and vegetables, and animal and vegetable fats and oils. Because many Latin Americans live in areas of tropical or subtropical climate, they make good customers for temperate-climate products they don't produce economically themselves. The Latin Americans, because of the geographies of their countries, specialize in tropical products such as sugar, cocoa beans, coffee, and tropical fruits and vegetables (for example, bananas) in agricultural exports. English-speaking North Americans, who cannot raise such products in their own territories but have a high standard of living and can afford to pay for them, are major buyers of Latin American exports.

OAS a trade stabilizer

For almost 80 years (1890 to 1970) intra-American agricultural trade has been encouraged by the ties between countries created by cooperation within the framework now

known as the Organization of American States (OAS). Trade between English-speaking North America and Latin America was already important in 1890, but its volume has increased over tenfold during the past 80 years of economic growth and mutual development.

Also owing in part to the functions of the OAS in resolving trade problems (prices, quotas, market access), the trade winds of the Western Hemisphere have blown with remarkable steadiness since 1890. This steadiness has been of benefit to both customers and buyers. Because Latin Americans export far greater values of agricultural products to English-speaking Americans than they import from them, stable and assured markets have been particularly important to the agricultural development and economic expansion of Latin American countries. On the other hand, the chief buyers, the English-speaking North Americans, have been assured, on the whole, of steady and plentiful supplies of such common commodities as sugar, coffee, cocoa, and bananas.

Trade before 1890

The very early agricultural exports of both temperate North America and Latin America went almost exclusively to European countries that had political, economic, and cultural ties with areas of the New World. Agricultural trade between the two groups of American colonies hardly existed. One of Latin America's earliest agricultural exports was cocoa beans from Central America. Other early products were hides and skins from southern South America, guano from South America's west coast, rubber from the Amazon River valley, sugar or sugar derivatives (molasses, rum) from Caribbean islands



On the left, preparing an airplane load of U.S. baby chicks for export to a Caribbean country. Below, bags of Brazilian coffee for export to the United States go aboard a ship at the port of Paranaguá, Paraná, Brazil.



and northern South America, and tobacco and cotton from North America.

One of the first large-volume intra-American trade items was sugar and sugar products, which moved from Caribbean islands to northeastern North America. Today, sugar is the second most valuable item of trade between the two sections of the Western Hemisphere.

Trade during 1889-90

During the same year (1889-90) in which the organization was created that grew into the OAS, the United States imported US\$170 million worth of agricultural products from Latin America and in return exported \$31 million worth of farm goods to these countries.

Almost three-fourths of the value of U.S. imports—\$126 million—was sugar and coffee. Other important items were hides and skins, bananas, cocoa beans, molasses, and spices.

Three areas—Brazil, Cuba, and Mexico—supplied nearly two-thirds of all U.S. imports from Latin America and the Caribbean. The leading exporter was Brazil, which sold goods worth \$49.7 million: \$45.7 million for coffee, \$2.2 million for hides and skins, and \$1.7 million for sugar. Cuba, in second rank, had sales worth \$48.4 million: \$35.4 million for sugar, \$7.1 million for tobacco, and \$3.7 million for molasses. Mexico, the third-rank supplier, marketed \$11.7 million worth of goods for which the United States paid: \$5.3 million for vegetables and vegetable products, \$3.5 million for coffee, and \$1.6 million for hides and skins.

Other important exporters were the British West Indies, which shipped sugar, bananas, coffee, cocoa beans, molasses, spices, and citrus fruit to the United States, and the Central American countries which supplied coffee, bananas, hides and skins, and sugar.

Almost three-fourths of the value of U.S. exports to Latin America in 1889-90—\$23.2 million—were sales of wheat and flour, lard, and meats. Wheat flour was the most important single sales item and was worth \$11.0 million. Lard was worth \$5.9 million, and meat exports totaled \$4.0 million.

The major Latin American and Caribbean buyers were Brazil, Cuba, the British West Indies, and Mexico. Together they took 60 percent of U.S. agricultural exports to the area. Other important U.S. markets were Haiti, Venezuela, and British Guiana (now Guyana). U.S. sales to Brazil totaled \$7.0 million with wheat and flour contributing \$4.9 million and lard \$1.5 million. Cuba took \$4.6 million worth of goods consisting of lard, wheat flour, and a wide variety of other products. U.S. shipments to the British West Indies were valued at \$4.3 million with about half the value for wheat flour; other important sales items were cured pork, lard, and dairy products. Haiti, Venezuela, and British Guiana bought chiefly pork, wheat flour, and lard.

Other U.S. products exported in quantity in intra-American agricultural trade were fruits and vegetables (both fresh and canned), tallow, and vegetable fats and oils.

Trends in Latin American and Caribbean exports

Area exports have supplied a major share of U.S. agricultural imports for the past 80 years although value share has fluctuated considerably and in recent years has trended down. In 1889-90 Latin America and Caribbean sales provided 48 percent of the value of U.S. agricultural imports; in 1935-39, 35 percent; during 1950-54, 51 percent; by 1960-64, 44 per-

cent; in 1968, 41 percent; and in 1969, 39 percent. (See table on page 16 of this issue.)

The dip in 1935-39 reflected decreased U.S. purchases during the depression years and a fall in value of exports; the peak during the 1950-54 period was chiefly due to the unusually high prices that prevailed at the time for coffee and cocoa beans. The downtrend since the 1950-54 period has resulted partly from a decline in cocoa and coffee prices and partly from some U.S. shift to exports from other areas—especially following the U.S. embargo on trade with Cuba.

Over half of U.S. agricultural imports from Latin America are and always have been complementary (noncompetitive) commodities to U.S. agricultural production. Complementary commodities include coffee, cocoa beans, bananas, carpet wool, and hard fibers. Supplementary (partially competitive) imports consist of cane sugar, meat, cattle, apparel wool, tobacco, fruits, nuts, vegetables (especially tomatoes), and hides and skins.

The pattern of exports by Latin America and the Caribbean to the United States has changed little in recent years except for the embargo on trade from Cuba to the United States that went into effect in 1962. For many years Cuba had been a major supplier of agricultural products to the United States. It was the chief U.S. source of cane sugar and an important supplier of tobacco, pineapples, molasses, and vegetables. Since the trade embargo, Cuba's U.S. sugar quota has been partly reallocated to other Latin American countries.

Since the late 1940's Brazil has been the United States chief supplier of agricultural products in the world as well as in the Western Hemisphere. At the same time, the United States is Brazil's major market. Brazil is the world's leading coffee exporter, and the United States is the world's first-ranking importer. The value of Brazil's exports has fluctuated as the price of coffee has risen or fallen. Other major Brazilian exports to the United States have been cocoa beans (sales of which have changed from year to year because of price swings and competition from African suppliers) and sugar. Part of Cuba's U.S. sugar quota was reallocated to Brazil after 1962 and since then U.S. sugar imports from Brazil have trended upward.

Mexico has been the second-ranking exporter to the United States from Latin America and the Caribbean since 1960. Another important exporter has been the Dominican Republic, whose sugar exports rose after the embargo on Cuban sugar. Other Latin American countries whose sugar exports climbed were Peru and Ecuador.

Trends in U.S. exports

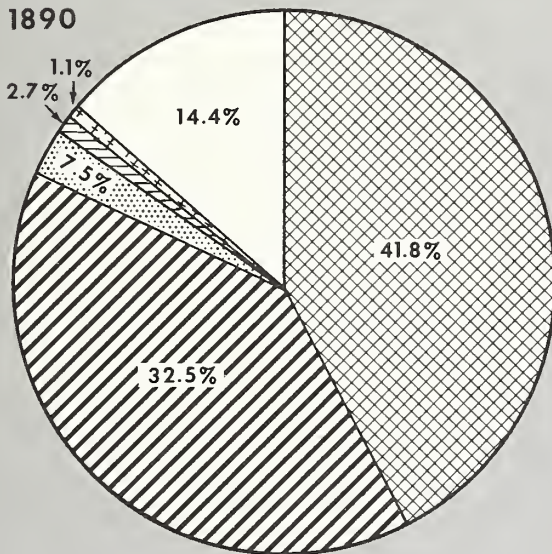
Latin America and the Caribbean have become important markets for the abundant production of U.S. farms in spite of the fact that the area is itself a surplus producer of farm products. The tropical regions provide markets especially for grains, fats and oils, and dairy products. Meats and fruits and vegetables go to the more temperate areas and particularly to the Caribbean islands that have flourishing tourist industries.

In 1889-90, 5 percent of U.S. agricultural exports went to Latin America and the Caribbean; in 1935-39, 7 percent, 15 percent in 1950-54, 9 percent in 1960-64, 10 percent in 1968, 9 percent in 1969. (See table on page 16 of this issue.) After the growth in the first half of the 1900's of U.S. exports to

COMMODITY DISTRIBUTION AND VALUE OF UNITED STATES-LATIN AMERICAN AGRICULTURAL TRADE

U.S. IMPORTS FROM LATIN AMERICA

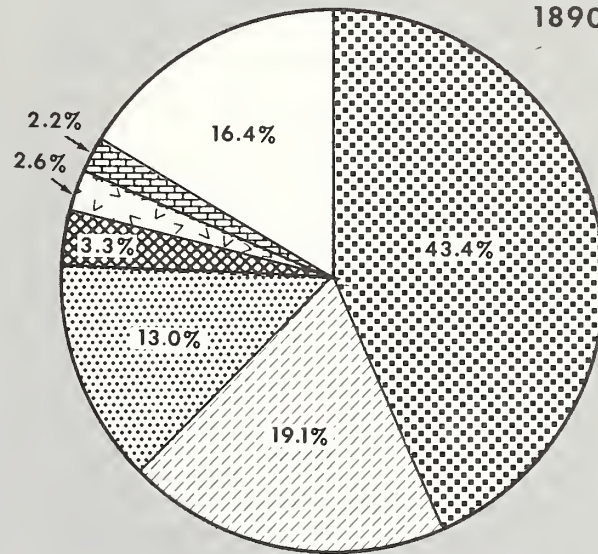
1890



Total value: \$170.1 million

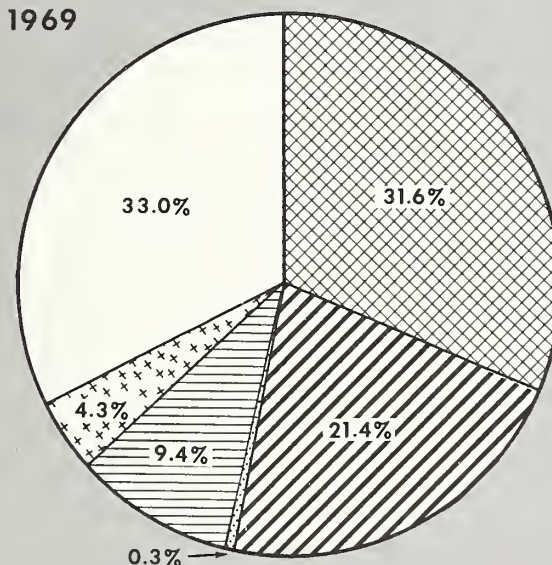
U.S. EXPORTS TO LATIN AMERICA

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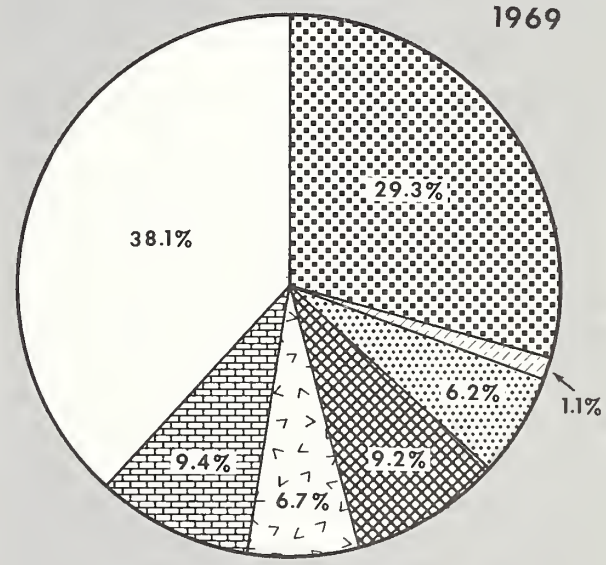
Total value: \$31.0 million

1969

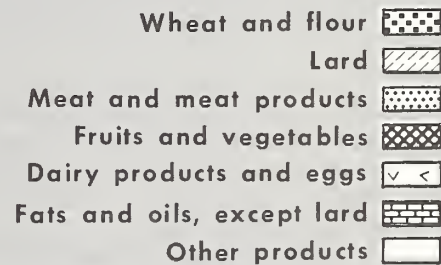
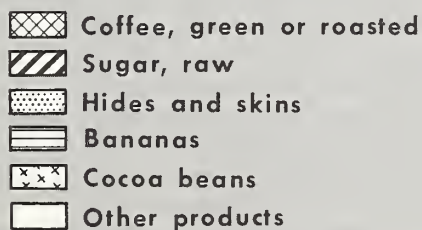


Total value: \$1,950.3 million

1969



Total value: \$553.9 million



the area, the decline in the 1960's reflected the sluggish economic growth of many countries, the low level of monetary exchange reserves in some nations, and the U.S. embargo on trade with Cuba.

The most important shifts in U.S. commodity exports to the area over the years have been from flour to wheat as many countries have installed their own milling facilities and from lard to vegetable fats and oils as dietary habits and standards of living have become modernized. Another change has been a drop in meat exports because of greater domestic production in many countries.

Factors affecting trade

U.S. demand for Latin American agricultural products, especially complementary goods, has increased in recent years because of population expansion and income gains.

Latin American demand for U.S. farm products has depended on particular countries' agricultural self-sufficiencies, availabilities of foreign exchange reserves to buy foreign agricultural goods, countries' foreign trade policies, and the prices of U.S. export commodities. Especially, foreign trade policies have restricted imports of U.S. goods. Tariffs on many agricultural products are particularly high in Brazil, Chile, Colombia, Costa Rica, and Mexico. In addition, some countries have quantitative controls on agricultural imports.

Still other factors are international trade arrangements, such as the International Coffee Agreement (ICA). The ICA includes nearly all coffee producers in the Western Hemisphere and has helped to maintain relatively stable prices for Latin America's principal export product. In addition, most countries participate in the General Agreement on Tariffs and Trade (GATT), and many countries have trade agreements with the United States.

Three trade groupings in the Caribbean and Latin America also affect trade. The Central American Common Market (CACM), which includes Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua is intended to provide completely free internal trade between these countries beginning this year. The Latin American Free Trade Association (LAFTA) is not a common market like CACM but aims at reciprocal reductions of duties and other trade restrictions between member countries. LAFTA was established in 1960 with Mexico, Argentina, Brazil, Chile, Paraguay, Peru, and Uruguay as members; later Colombia, Ecuador, Bolivia, and Venezuela joined the Association. The third grouping, the Caribbean Free Trade Association (CARIFTA), was established in 1968 as an agreement among 11 British Commonwealth nations and territories to remove trade barriers among members. The trade groups have temporarily decreased exports of some U.S. products such as wheat, fats and oils, and dairy products but will probably tend to increase U.S. sales of farm products if they succeed in favorably affecting standards of living and balances of payments within member countries.

Trade today

The most recent trade figures available for Latin American-U.S. trade are those for 1969. Although U.S. imports were down \$105 million from 1968, they were \$1,950 million; and in spite of a decrease in U.S. exports of \$54 million from 1968, U.S. sales were \$554 million.

Coffee and sugar were 53 percent in value (\$1,036 million) of U.S. total agricultural imports from Latin America with

coffee valued at \$617 million and sugar at \$419 million. Imports of meat and meat products were \$184 million, bananas \$183 million, cocoa beans \$84 million, tomatoes \$68 million, and cattle \$66 million.

Brazil was the leading U.S. supplier and sold goods worth almost \$500 million—or about 43 percent of the total value of farm imports to the United States from Latin America and the Caribbean. Mexico was in second place, and its farm exports to the United States were worth \$440 million—about 23 percent of U.S. purchases from Latin America. The Dominican Republic and Colombia each furnished about 8 percent of Latin America's exports to the United States.

Brazil's chief agricultural sales consisted of coffee worth \$265 million, sugar worth \$89 million, cocoa beans valued at \$43 million, meat and meat products for \$16 million, and bananas worth \$14 million.

Mexico's sales to the United States included a wide variety of products. The most important were sugar worth \$88 million, fresh tomatoes for \$68 million, feeder cattle valued at \$66 million, coffee worth \$54 million, meat and casings for \$36 million, and strawberries at \$22 million.

U.S. imports from the Dominican Republic (total value \$148 million) included sugar worth \$94 million, \$19 million worth of cocoa beans, and \$15 million worth of coffee. Colombia's sales to the United States totaled \$147 million, of which \$130 million was for coffee and \$10 million for sugar.

Other important exporters were the Central American countries, which together sold \$366 million worth of agricultural goods (chiefly bananas, coffee, meat, and sugar) to the United States. Peru and Ecuador were also major U.S. suppliers. Peru's sales were mainly of sugar and coffee, and Ecuador's were of bananas, coffee, sugar, and cocoa beans.

U.S. exports to Latin American and Caribbean countries during 1969 consisted chiefly of wheat and flour (\$163 million), fats and oils (\$52 million), fruits and vegetables (\$51 million), dairy products and eggs (\$37 million), and meat and meat products (\$34 million). Other important items were corn, hides and skins, and feeds and fodders.

The three main customers for U.S. agricultural products were Mexico, Venezuela, and Brazil, which among them absorbed almost one-half of U.S. exports. Mexico edged out Venezuela to become the first-ranking U.S. market in Latin America and took goods worth \$91.3 million in 1969 while sales to Venezuela totaled \$90.9 million. Exports to Brazil, the third U.S. market, dropped to \$68.5 million in 1969.

Shipments to Mexico consisted of a variety of products, but the most important ones were hides and skins, fats and oils, fruits and vegetables and preparations, dairy products, oilseeds, and feedgrains.

Venezuela—in addition to being an important U.S. market for fruits and vegetables, fats and oils, and oilseeds—is the United States largest cash market in Latin America and the second-ranking wheat market. The United States sold wheat worth \$39 million to Venezuela in 1969.

Brazil is a major U.S. wheat market in Latin America and took \$52 million worth of wheat and wheat flour in 1969. Its total U.S. agricultural imports were \$68 million. Other than wheat and flour, main import items were fruits and vegetables, dairy products, and fats and oils.

The Caribbean, especially the Bahamas and Jamaica, was an important U.S. market for fruits and vegetables, meats and meat products, dairy products, and fats and oils.

Cotton Production in Central America

By VERNON L. HARNESS
Cotton Division, FAS

Three countries—El Salvador, Nicaragua, and Guatemala—produce nearly all of the cotton grown in Central America. In 1969-70 production in these countries is expected to total about 750,000 bales—200,000 bales less than a year earlier and far below the peak of 1.3 million reached 5 years ago.

Over the next several years production should continue at this lower level. Although favorable growing conditions could push production up in a specific year, only a major strengthening of world prices could bring additional land into cotton. In short, the bloom is off cotton in Central America.

Farmers unable to maintain high yields have left cotton because of their inability to get new financing or because of higher profits in ranching. Farmers still growing cotton are intent on maintaining high yields and reducing costs. For efficient farmers—those who have a yield of about 2 bales per acre—total costs are 22 cents per pound or less, after adjusting for the value of seed. Prices tend to be lower in Guatemala and higher in Nicaragua. Costs are rising at least 5 percent per year: largest increases are in the cost of machinery and labor, while the cost of pest control has been lowered somewhat. Land prices have declined considerably because of the pessimistic outlook for cotton.

In addition to rising costs for input items, producers are finding that high yields are difficult to maintain because organic matter is being reduced in the newer soils. In some areas soil drainage is badly needed, and land leveling would be useful in many cases.

While production costs of the more efficient Central American producers are similar to those of their counterparts in the United States, Central Americans have a clear cost advantage in ginning and moving cotton from farm to port. Ginning charges are low—\$12.50 to \$14.00 per bale—against an average of over \$19.00 in the United States. Major reasons for Central America's low-cost ginning are the large volumes handled per gin, low labor costs, and inexpensive bagging and ties. Savings in marketing result from bales pressed to standard or high density at the gin, light-weight bagging and ties, and the close proximity of much of the area's crop to ports.

El Salvador: efficient ginning, marketing

In El Salvador 1969-70 cotton production should total about 210,000 bales from 130,000 acres. While production and area are about the same as a year earlier, they are nearly 50 percent below the peak reached in 1964-65, a decline which has resulted largely from marginal land being taken out of cotton by farmers unable to obtain high enough yields for profitable operation. Even more acreage has been forced out of cotton by the decline in world prices.

However, most of the acreage is now in the hands of well-financed and capable managers. These producers are operating farms capable of sustained high yields and are making a profit at current prices. With a 2- to 3-cent price reduction, 15-20 percent of the lower yielding acreage would probably be taken out of cotton and put in pasture, sorghum, and corn.

El Salvador has an extremely efficient ginning and marketing system—a national cotton cooperative managed by larger cotton producers. Cotton is purchased by the cooperative prior to ginning; expenses of ginning and marketing are deducted from the value of the lint and seed. Costs are extremely low, about \$12.50 per bale, because of the large volume per gin and low labor costs. Estimated costs of ginning and wrapping are about \$7.50, while transportation, storage, and overhead add about \$5.00 per bale. A locally made cotton bagging, serviceable and inexpensive, is used on all bales. About two-thirds of El Salvador's cotton is pressed to standard density and the remainder to high density.

When cotton is delivered to the gin (November-February), the farmer gets an advance of 90 percent—for which he is charged 6 percent—on the value of the seed and lint less anticipated marketing and ginning costs. Final settlement is made the following November. The money used by the cooperative for the advance is obtained from commercial banks at 3 percent; the Government reimburses the bank for the difference between the 3 percent and the going rate of interest (now 8-9 percent). As contrasted with Guatemala and Nicaragua, in El Salvador commercial banks will finance full production costs except land rent or taxes at a subsidized—by the Government—rate of 6 percent.

While cotton area probably will not increase and could well decline in El Salvador, yields will increase if lower yielding land is eliminated. The efficiency of larger producers and the integrated marketing system should enable El Salvador to keep high-yielding areas in cotton and maintain its share of world markets.

Annual domestic use of cotton is over 50,000 bales; the remainder of the crop is destined for export, largely to Japan. While local use of cotton could increase slowly over the next several years, consumption of manmade fiber in blends will probably absorb most of any rise in fabric offtake.

Nicaragua: shift to fewer producers

In Nicaragua, 1969-70 cotton production is expected to be around 310,000 bales, compared with 405,000 in 1968-69. The smaller crop is primarily a result of acreage reduction—from 325,000 in 1968-69 to 250,000—which occurred when a number of marginal or speculative producers were eliminated because of lack of adequate financing. The National Bank, which handles 80 percent of all cotton financing, is attempting to shift inefficient producers to other crops. In addition, the bank is attempting to shift cotton areas into the hands of better farmers and to better land. This will result in fewer producers and larger holdings.

Over the next few years, if prices remain at present levels, there could be a slight increase in acreage and some yield improvement. However, it seems unlikely that Nicaragua will again achieve a production equal to the record 565,000 bales produced in 1964-65. A realistic estimate of production over the next 3-5 years is probably around 400,000 bales, if prices remain near present levels. If prices fall 2-3 cents, however, production would decline, but it seems doubtful that less than around 250,000 bales would be produced.

While there are a number of local cooperative gins in Nicaragua, ginning is done mostly by private companies. The

average ginning charge is about \$14 per bale including bagging and ties. An inexpensive cotton covering, which costs less than \$1 per bale, is used. All cotton is pressed to standard density. For a typical gin installation with modern, high-speed gin stands, a volume of 10,000 bales is needed to cover total costs and depreciate equipment over a reasonable time—most are now ginning between 12,000 and 15,000 bales. To move cotton by truck to the major port at Corinta costs about \$1.50 per bale.

Nicaragua's major problem with cotton production stems from lack of management techniques, although some advances are being made. Also, industrious labor is in relatively short supply.

Nicaragua's cotton is relatively low in strength. The U.S. varieties grown there would probably have a breaking strength 8,000 to 10,000 pounds below that grown in the United States. Also, the grades are the lowest in Central America, a result primarily of delayed picking. Less than 20 percent of the crop is machine harvested. Most fields are picked once with some early-picked fields harvested a second time.

Producers able to maintain yields—about 2 bales per acre—will remain fully competitive with the United States and other producing areas for several years. Rising labor costs and a labor shortage will force costs higher over the next few years and will encourage more mechanization. Land rents—at \$20 per acre—have decreased in the past season and could go lower. In addition, insecticide applications have been reduced from over 30 times per season to about 20, cutting costs \$20-25 per acre.

Venezuela's FEDEAGRO Urges Reform of Agriculture

The Venezuelan Federation of Agricultural Producers' Associations (FEDEAGRO), whose philosophy is that the time has come for a just distribution of the nation's economic growth with emphasis on the rural sector of the country, recently held its eighth annual assembly.

When the Venezuelan Minister of Agriculture addressed FEDEAGRO, he discussed Venezuela's cereal situation and policy. He said that the new cereal policy of the Government was aimed at the development of the domestic consumer market particularly for domestic corn, rice, and sorghum. According to him, the factors that were taken into account in formulating this policy were three: that rice production constitutes a fundamental activity in an important geographical area of the country; that the prospects for increasing the production of cereals depend to a great extent on their industrial use; and that there is a tremendous amount of substitution of imported grain for domestically produced cereals.

This cereal policy will chiefly affect the production of corn, rice, and sorghum, the control of imports of cereals destined for industrialization, the intensification of technical assistance and credit, and the maintenance of stable prices on a real and economic basis.

While the basic demand of the assembly was for an integrated national plan for agriculture, the major recommendations focused basically on improving the financing and the organization of the agriculture sector. They called for increased loan funds for agriculture and also for more financial support for the commercial agriculture sector; Government backing of research and extension programs aimed at increasing the technical knowledge in rural areas; and Congressional

Only about 20,000 bales are consumed domestically in Nicaragua. As in El Salvador the bulk of the cotton produced is exported to Japan.

Guatemala: acreage reduction

Cotton production in Guatemala in 1969-70 is expected to total about 235,000 bales, down from 335,000 bales in 1968-69. Over the next several years acreage will probably decline from this season's 190,000 acres. Although yields should increase, production will probably decline moderately. The 1969-70 crop was adversely affected by excessive rains; however, a more normal season in 1970-71 could lead to a short-run increase in production.

The enthusiasm of several years ago for cotton production has waned considerably because of a cost-price squeeze. As in El Salvador and Nicaragua, those now producing cotton must be efficient. Since farming is not diversified in Guatemala, large-scale farmers leaving cotton can basically only choose to go into livestock.

Ginning charges in Guatemala, as in the other Central American countries, are about \$6 per bale lower than in the United States, primarily because of the large volume per gin and low-cost bagging and ties. Handling charges are also much lower than in the United States because of the nearness of gins to port and fewer transactions between the producer and the port.

Domestic use of cotton in Guatemala has been around 30,000 bales annually in recent years. The bulk of the cotton crop is exported to Japan.

approval of the proposed new National Marketing Law. This law, which has been on the shelf for over 2 years, has been supported by producer organizations—because, according to them, the system which now exists is chaotic—but has been resisted by distributors—because it calls for complete government control of all aspects of marketing and distribution, including profits of distributors, handlers and processors.

At the same time it made these recommendations, FEDEAGRO announced the establishment within itself of a technical department to study problems of the agricultural and livestock sectors in general and also the possibilities and the programming of an overall agricultural plan—which, at this time, Venezuela lacks. One major aim of the department will be to determine whether the agricultural sectors have full and proper representation in the official organizations that administer agricultural policy.

At the end of the assembly the newly elected president stated that FEDEAGRO will now press the Government to change and redirect agriculture. In particular, FEDEAGRO will work to have the ways of applying the present agricultural policy changed: to have industrial policy revised to conform with agricultural development; to have an overall agricultural policy which takes into account such factors as extension, marketing, industrialization, and credit; to have present short-term agricultural credits changed to long-term credits; and to have a marketing system that would cover the flow of agricultural products both to direct consumption and to industrial use.

—Based on dispatch from ROBERT S. FITZSIMMONDS
U.S. Agricultural Attaché, Caracas

Brazil, Peru, Guyana

Latin Neighbors Build Market News Systems

News of farm markets—conditions, supplies, price trends and ranges for the principal commodities—is beginning to play an important role in Latin American countries, as it has in the United States for over 50 years. The first Latin American country to delve extensively into the possibilities of setting up a nationwide market news service was Brazil. This article surveys the recent spread of the market news concept within Latin America through the first hand account of a U.S. official who participated in the Brazilian project.

By LANCE G. HOOKS
Consumer and Marketing Service, USDA

A nationwide market news service became a reality in Brazil in April 1966 after more than a year of intensive effort. Today, that service is proving its value in numerous ways to Brazilian producers, the trade, and government officials.

Establishment of such a system had been one of the recommendations of a joint AID/USDA team that made a survey of Brazil's agricultural needs in 1964 and 1965 at the request of the Brazilian Government.

The Brazilian officials selected to carry out the task, with specialized assistance from the United States, had to start virtually from scratch.

The Ministry of Agriculture, the logical starting place, had no specific marketing services; it only did some work on harvest forecast, statistics, and research—all in a Department of Economics. A quick survey showed that virtually the only market reporting was being done in two States—São Paulo and Minas Gerais.

There were the usual obstacles to be expected in starting a new project linking several States in a large country. Office space was scarce. There was a long waiting period for telephone service. In the absence of available land lines from Rio de Janeiro to São Paulo, a microwave channel had to be arranged through a television station. There was some official skepticism that the job was feasible.

The great day—April 20, 1966

On April 20, 1966, however, the new Market Information Service was ready to be inaugurated by the Brazilian Minister of Agriculture, Ney Braga, connecting the three large wholesale markets in Brazil—São Paulo, in the State of São Paulo; Belo Horizonte, in Minas Gerais; and Rio de Janeiro. Under the old system, market news reporters were already going to the markets during trading hours to interview both buyers and sellers. Returning to their offices, the reporters would then write short summaries on market conditions, supplies, price trends, and price ranges on the principal commodities. But transmission of the reports to the users was a slow procedure. The new teletype system would permit an exchange of daily information among the States for the first time.

As funds and communication equipment became available, and by working with State Governments, the Service was extended south to Curitiba, and then to Pôrto Alegre, in Brazil's most southern State. At the same time an office was opened

at Recife in the northeast, and more recently new offices are being opened in Fortaleza (Ceará), in Salvador (Bahia), and also in Brasilia, the new capital of Brazil.

Brazilians study US system

The Brazilian officials selected to develop and extend the Market News Service were trained in the United States under a USAID program run in cooperation with USDA. More than 40 Federal and State officials came to the United States for a 2-month period to study and observe how the system here operates and how it serves U.S. agriculture. They received general training for a week or so in Washington, particularly in USDA's Market News Services. The officials then visited typical wholesale markets where they studied trading practices, the operation of the market news service, Federal-State relations, and other factors involved in the operation of the service. They learned about the U.S. land-grant college system and studied the operation of Federal-State market news offices in one or more States. These men, when they returned to Brazil, were key men in developing the Service and were often placed in charge of important offices.

Brazilian producers, the trade, and government officials have been quick to grasp the benefits deriving from the Service. Producers use it in making their production plans. They have quickly learned which commodities are generally in greatest demand and to sell them at the most favorable prices. But especially do they find the market reports useful in choosing the time and the market to which to send these products. Even those producers who sell to truck buyers at the farm are in a better bargaining position. They get more money for their produce after hearing market reports over the radio or reading them in the newspapers. Of course, the Service does not reach nearly all the producers in Brazil's 22 States and three territories, but the Ministry has a 5-year plan, 1970-75, for developing the Service to eventually reach all important markets and producing areas. The extension of the reporting system will prove a boon to farmers in remote areas.

Peru asks United States for help

At the same time the Service was being developed in Brazil, the Government of Peru, in May 1968, asked for U.S. assistance to develop a daily nationwide market news service. Market information had been collected daily in the Lima markets, but dissemination was made by bulletins issued early the following week. The Ministry staff was given assistance for one month in arranging daily releases and dissemination of current market information; it was also helped to extend the service and to establish offices in the interior of Peru. Within a year and a half Peru has established offices in 11 cities and (in the absence of internal teletype) is exchanging market information among producing and trading centers by air pouch. This service is sometimes one day behind current trading, but far more information is available now than ever before. Peru is installing teletype service among Market Information Service offices and has plans for extending it to more than 30 important trading centers of the country. The

central office of the Market Information Service in Lima now has a direct telephone line to Radio National, the most powerful station in Peru. It is used for broadcasting directly from the Market Information Service office 4 times daily. Also, the first automatic telephone answering device in Latin America is being installed in the Lima office. It will be used to make market reports available 24 hours a day. Other improvements are planned for the future.

The progress of the Peruvian Market Information Service during the first 2 years has been spectacular, and the Ministry is now in a position to develop and expand it until it adequately serves the needs of a majority of Peruvian agricultural producers.

Guyana disseminates information by radio

Another Latin American country, Guyana, of fewer than 700,000 inhabitants, located in the Caribbean on the northeast coast asked for U.S. assistance to develop better collection and dissemination of market information. The Ministry was given assistance during January 1970.

Although retail prices at the three municipal food markets in the country's capital, Georgetown, had been collected three times weekly for the past 10 years, no market information was immediately disseminated; it was printed and distributed the following week—too late to be of value to producers. So—many innovations were effected. Arrangements were made to collect sufficient wholesale market information about the principal commodities and to disseminate it promptly by radio and press. The Ministry has also set up a three-times-a-week radio program to give farmers information on all phases of agriculture, including market news. Information about retail prices was issued in a separate report to provide consumers with data on the volume of arrivals, quality, price trends, and current prices. Within a matter of days both programs attracted a large audience.

Conference to open new era

A significant development that took place in Latin America—at Lima, Peru—during the first 2 weeks of December 1969 will have far-reaching influence on the development and extent of market news for Western Hemisphere farmers. A technical conference on market news was sponsored by the Food and Agriculture Organization of the United Nations (FAO) and attended by representatives of 14 Central and Latin American countries and 10 international organizations.

The countries represented at the meeting were Bolivia, Brazil, Costa Rica, Colombia, Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Paraguay, Peru, the Dominican Republic, and Venezuela. Observers were there from such organizations as the Inter-American Development Bank (Banco Interamericano Desarrollo—BID), the Inter-American Institute of Agricultural Sciences, the Organization of American

One of the major problems in developing market reporting services in Latin America is the acute shortage of communications equipment and services. Likewise, there are few trained technicians. Brazil made a start in 1966 to fill these gaps through cooperation of its Ministry of Agriculture, its State Departments of Agriculture, and the U.S. Government. By 1969 it had a national network connecting market news offices in six States for the daily exchange of up-to-date information on commodities and prices.

States (OAS), the Latin American Free Trade Association (LAFTA), the Colombian Agricultural Institute, and the United Nations Program for Development (Programa de las Naciones Unidas para Desarrollo—PNUD).

Marketing leaders from these countries exchanged ideas and experiences and developed plans for extending the news service to other producers. Field trips were made to interior markets in Peru, and the Ministry Market Information Service office in Lima was visited. The delegates not only discussed how to establish an ideal modern daily market news service for Latin American countries but also studied how to initiate and improve monthly reports on crop acreage, yields, and production and on cattle production and on how to generate forecast and outlook reports and services.

A total of 12 resolutions were adopted at the conference. These covered all aspects of the market information field and called on countries planning such programs to give them high priority in their establishment and autonomy in their operation. International organizations such as the United Nations, FAO, and OAS were asked to cooperate by providing programs, manpower, and funds. Private organizations and Latin American governments were called on to provide information for dissemination through the marketing news organizations of the various countries.

Information systems depend on communication

A few Latin American countries have developed systems of varying competence for collecting information at their principal markets and for making it available to their producers through various information media. Brazil and Peru have the most comprehensive systems and have been distributing market information by air pouch for over a year pending the development of modern communication facilities, perhaps by communication satellites.

Actually, the countries are on the threshold of an era of progress in the field of marketing that will include not only the daily exchange of market information on principal agricultural commodities but also the use of grades and standards to identify more accurately the different qualities on which prices are quoted.



Argentine Agriculture—1969 and Prospects

The relatively high rate of growth of the Argentine economy in 1969 was reflected in expanded trade and upward pressure on prices. Exports during the first 9 months of 1969 were 8.5 percent higher than those during the same period in 1968. Imports, however, increased by 27 percent, causing some concern about the decline in Argentina's trade surplus.

Grains—a good year

Total grain production in 1969 was up 12 percent from the year earlier, despite a decline in planted area of 2 percent caused by drought conditions in the northern grain zone at seeding time. However, yields generally increased over the subnormal production of the previous year, accounting for most of the rise in production.

Wheat production of 6,800,000 tons exceeded the below-normal 1968-69 crop of 5,740,000 tons. Corn at 6,860,000 tons was above 1968 production but below the 5-year average. Usage of hybrid seed corn continued to increase with an estimated 70 percent of total area planted to hybrids. Grain sorghum production at 2,484,000 tons set a new record. Oats at 381,000 tons, barley at 523,000 tons, and rye at 347,000 tons showed a decrease over the previous year. Support prices for corn and grain sorghum increased slightly but support prices for other grains continued at the same level. Rice production increased sharply to 345,000 tons from 283,000.

Exports of wheat in 1969 were 2,400,000 tons, slightly higher than in 1968. This was achieved, despite the poor production, as a result of high beginning stocks and imports of 390,000 tons. The Government decided to import wheat for domestic consumption rather than reduce exports to traditional South American markets. However, wheat stocks at the end of the year were at a very low level.

Total grain exports in 1970 are likely to be above those of 1969. Wheat exports may approximate the 1969 level of 2.4 million tons. However, this level could put a strain on supplies which might require moderate imports again or curtailment of supplies to traditional markets.

Corn area for the 1970 crop is estimated at 9,100,000 acres, 212 million acres above last year; and corn exports are expected to substantially exceed the 3.5 million tons of 1969. Grain sorghum area increased again this year and excellent growing conditions indicate a crop of at least 3 million tons. Export of grain sorghum should therefore exceed the 1.25 million tons of 1969. Export taxes of 6 percent on wheat and 8 percent on corn and grain sorghum are expected to remain in effect in 1970.

Livestock—exports rise

Cattle numbers as of June 30 were estimated at 52 million head, an increase of about 1 percent from 1968. The favorable outlook for meat exports and good pasture conditions encouraged producers to keep animals at a heavier weight. Beef production was about at 2,750,000 tons.

Argentine exports of meat, meat byproducts, hides, and live animals in 1969 increased in value by US\$120.7 million to \$583 million compared with the 1968 value of \$462 million—largely as the result of renewed shipments to the United Kingdom. The largest increases were registered in chilled beef quarters, up \$30 million; chilled beef cuts, up \$16 million; frozen beef cuts, up \$30 million; and boned beef, up \$10

million. There was an offal increase of \$7 million.

Cattle numbers are forecast at 52.5 million head for June 30, 1970. Beef and veal production is expected to be 2.65 million tons for 1970.

Sheep numbers—estimated at 47.5 million head on June 30, 1969—are expected to continue to decline in 1970. Production of mutton is estimated at 200,000 tons for 1969 compared with 212,000 tons in 1968.

Hog numbers apparently increased in 1969 as a result of the high prices in 1968, and are estimated at 3.9 million head. However, the increase came late in the year, and 1969 pork production is estimated at 190,000 tons, only slightly above the 1968 level. Hog numbers are forecast at 4.2 million head for 1970. On December 9, 1969, the Government of Argentina reduced the export tax to 8 percent on meat cuts and to 12 percent on most other meat products.

Poultry meat production in 1969 is estimated at 140,000 tons, an increase of 20,000 tons over 1968. Milk production increased slightly to 4,575,000 tons. Butter production declined; imports were made to meet domestic requirements.

Oilseeds—outlook brightens

Area planted to flaxseed was about 940,000 hectares in 1969, compared with 878,000 in 1968. However, adverse weather conditions in several northern Provinces resulted in a harvest of only about 780,000 hectares—slightly below the 810,000 hectares in 1968. Nevertheless, production is estimated at 520,000 metric tons, thanks to excellent crop conditions.

Linseed oil production is estimated at 150,000 tons for 1968-69 and is expected to be about the same in 1970. The 1969 sunflowerseed production of 876,000 tons was below the level of the previous 2 years owing to unfavorable weather conditions. Oil consumption and exports had increased substantially in recent years. However, this year there were no exports and there was concern whether sufficient edible oil would be available to cover domestic requirements.

The 1969-70 area planted to sunflowerseed is estimated at 1,420,000 hectares—nearly 5 percent greater than the previous year. Total production could surpass 1,000,000 tons, which would supply the domestic oil market and allow some 50,000 tons of oil for export.

Peanut production was 217,000 tons in 1969 and production is expected to continue to decline as producers switch to more profitable crops. Tung oil production was about 12,000 tons and practically all available tung oil was exported.

Argentina's 1969 potato crop, at 2,340,000 tons, was 19 percent above 1968, 27 percent larger than the 5-year average, and 36 percent greater than the 10-year average.

Citrus production in 1969 showed significant increases over the 5-year average. Orange production rose 41 percent, tangerine 53 percent, lemons 97 percent, and grapefruit 45 percent. The outlook is for continued expansion.

Tobacco at 52,000 tons was lower than the previous year's level because of smaller planted area as well as adverse weather conditions. Area for the 1969-70 crops shows an increase of 15.8 percent, but a shortage of timely rains has hampered development and production is expected to be somewhat below average.

—Based on dispatch from GORDON H. LLOYD
Assistant U.S. Agricultural Attaché, Buenos Aires

CROPS AND MARKETS SHORTS

January Livestock Imports, Exports

Because of the Atlantic and Gulf coast dock strike which hindered trade in the early months of 1969, total red meat

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS [Product weight]

Commodity	January	
	1969	1970
Red meats:	1,000	1,000
Beef and veal:	pounds	pounds
Fresh, chilled, or frozen:		
Bone-in beef	1,077	2,662
Boneless beef	39,809	112,268
Cuts (prepared)	131	594
Veal	799	2,537
Canned beef:		
Corned	6,639	11,213
Other, including sausage	1,129	3,160
Prepared and preserved	2,275	5,336
Total beef and veal ¹	51,857	137,770
Pork:		
Fresh, chilled and frozen	3,729	4,519
Canned:		
Hams and shoulders	5,397	11,355
Other	758	2,970
Cured:		
Hams and shoulders	67	129
Other	241	337
Sausage	97	291
Total pork ¹	10,288	19,601
Mutton and goat	230	6,983
Lamb	665	2,931
Other sausage	177	867
Other meats	459	2,062
Total red meats ¹	63,678	170,216
Variety meats	241	686
Meat extract	70	73
Wool (clean basis):		
Dutiable	7,836	7,096
Duty-free	3,067	5,766
Total wool ¹	10,902	12,864
Animal hair (clean basis)	541	178
Hides and skins:		
Cattle parts	—	—
Sheep skins pickled and split	294	842
	1,000	1,000
	pieces	pieces
Cattle	27	18
Calf and kip	37	89
Buffalo	2	23
Sheep and lamb	479	654
Goat and kid	70	799
Horse	7	15
Pig	42	188
	Number	Number
Livestock:		
Cattle ²	88,899	102,432
Sheep	—	6
Hogs	1,028	1,486
Horses, asses, mules, and burros	261	127

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS [Product weight]

Commodity	January	
	1969	1970
Animal fats:	1,000	1,000
Lard	pounds	pounds
11,723		24,521
Tallow and greases:		
Inedible	6,516	149,498
Edible	114	389
Meats:		
Beef and veal	2,066	2,584
Pork	13,328	3,764
Lamb and mutton	114	85
Sausages	212	390
Meat specialties	185	333
Other canned	773	844
Total red meats ¹	16,682	8,000
Variety meats	5,231	13,686
Sausage casings (animal origin)	310	914
Animal hair, including mohair	155	634
Hides and skins:		
Cattle parts	1,894	721
	1,000	1,000
	pieces	pieces
Cattle	976	1,117
Calf	57	51
Kip	22	25
Sheep and lamb	158	208
Horse	4	4
Goat and kid	—	22
Livestock:	Number	Number
Cattle and calves	2,250	3,843
Sheep, lambs, and goats	1,417	2,096
Hogs	1,553	1,329
Horses, asses, mules, and burros	671	1,257

¹ May not add due to rounding.

U.S. Department of Commerce, Bureau of the Census.

imports for the month of January this year were up in every category from their January 1969 levels. Red meat imports totaled 170.2 million pounds in January, compared with 63.7 million in 1969. Boneless beef shipments of 112.3 million pounds accounted for 66 percent of the red meat total.

Inedible tallow and greases were the No. 1 U.S. livestock export item in January. Inedible tallow and grease exports totaled 149.5 million pounds and were valued at \$12.3 million, compared with 110.3 million pounds and \$6.5 million in 1969.

Australia's Meat Diversification

Since March 15, 1970, Australian meat exporters have had to increase their sales of beef and mutton to countries other than the United States in order to maintain their former rights to supply the U.S. market. Under the Australian Meat Board's revised export diversification plan, exporters are entitled to ship only 1 ton of beef to the United States for every ton shipped to other destinations and 1 ton of mutton for

¹ May not add due to rounding. ² Excludes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

every 5 tons shipped to non-U.S. destinations. Formerly, the rates were 3 tons of beef to the U.S. market for every 2 tons shipped elsewhere, and 1 ton of mutton for every 3.5 tons shipped elsewhere.

Mr. J. L. Shute, chairman of the Australian Meat Board, is reported by a Sydney newspaper to have said that the new diversification rates are necessary to avoid exceeding before the end of 1970 the Australian restraint level of 235,400 tons.

U.S. Cotton Exports in February

U.S. raw cotton exports in February totaled 325,000 bales, a little lower than a month earlier but sharply above the shipment of 55,000 bales for February 1969 which was reduced

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average		Aug.-Feb.		
	1960-64	1967	1968	1968	1969
	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>
Austria	23	1	0	0	0
Belgium-Luxembourg ...	121	45	30	13	12
Denmark	14	10	1	1	(¹)
Finland	17	11	3	2	5
France	319	148	88	43	22
Germany, West	269	100	31	12	19
Italy	345	253	62	30	29
Netherlands	110	36	19	10	12
Norway	13	7	5	3	1
Poland	125	77	106	92	34
Portugal	21	9	8	3	2
Spain	74	7	5	4	2
Sweden	81	75	51	21	28
Switzerland	74	60	32	17	10
United Kingdom	244	125	48	22	17
Yugoslavia	112	67	54	0	0
Other Europe	17	24	7	3	2
Total Europe	1,979	1,055	550	276	195
Algeria	9	13	27	7	10
Australia	61	17	0	0	(¹)
Bolivia	7	0	0	0	0
Canada	353	142	108	54	96
Chile	18	1	(¹)	(¹)	1
Colombia	3	0	(¹)	(¹)	0
Congo (Kinshasa)	6	13	0	0	0
Ethiopia	9	22	9	7	1
Ghana	1	12	17	9	27
Hong Kong	148	299	194	104	36
India	314	342	174	5	108
Indonesia	40	70	105	47	116
Israel	15	4	1	1	(¹)
Jamaica	4	1	2	1	2
Japan	1,192	1,103	536	259	387
Korea, Republic of	261	351	447	206	259
Morocco	12	35	19	5	8
Pakistan	14	18	1	0	8
Philippines	123	154	119	55	48
South Africa	41	23	9	5	1
Taiwan	209	378	259	92	75
Thailand	34	90	66	30	17
Tunisia	2	14	0	0	5
Uruguay	6	0	0	0	0
Venezuela	8	(¹)	(¹)	(¹)	(¹)
Vietnam, South	46	24	62	26	51
Other countries	9	25	26	10	10
Total	4,924	4,206	2,731	1,199	1,461

¹ Less than 500 bales.

by the dock strike. February's shipments to all European countries accounted for 51,000 bales of the total increase, while exports to Japan, India, and the Republic of Korea amounted to 110,000, 45,000, and 40,000 bales, respectively.

Exports in the first 7 months (August-February) of the current season totaled 1,461,000 bales, compared with 1,199,000 bales for the same period a year earlier. Excluding last season's strike-reduced level this was the smallest export level for this period since 1955-56, when 842,000 bales were shipped.

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	April 1	Change from previous week	A year ago
	<i>Dol. per bu.</i>	<i>Cents per bu.</i>	<i>Dol. per bu.</i>
Wheat:			
Canadian No. 2 Manitoba	1.99	-2	1.93
USSR SKS-14	(¹)	(¹)	1.88
Australian Hard	1.75	0	1.85
U.S. No. 2 Dark Northern Spring:			
14 percent	1.84	+1	1.88
15 percent	1.95	+1	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.77	-1	1.82
Argentine	(¹)	(¹)	1.80
U.S. No. 2 Soft Red Winter	1.67	0	1.69
Feedgrains:			
U.S. No. 3 Yellow corn	1.54	0	1.36
Argentine Plate corn	1.52	0	1.38
U.S. No. 2 sorghum	(¹)	(¹)	1.32
Argentine-Granifero	1.32	-1	1.17
Soybeans:			
U.S. No. 2 Yellow	3.03	+1	2.91

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Record East African Tea in 1969

Record tea crops were harvested by all major East African producers in 1969, a reflection of expanded acreage and favorable growing conditions. Kenya's 1969 tea crop reached 79.5 million pounds, up from 65.6 million a year earlier. Record crops were also harvested by Uganda (38.9 million lb.), Malawi (37.3 million lb.), Mozambique (35.3 million lb.), Tanzania (19.4 million lb.). Total production for these 5 countries amounted to 210.4 million pounds, compared with 182.8 million pounds in 1968.

African tea production now accounts for about 10 percent of the world crop, up from 6 percent in 1960.

Antigua Renews Sugar Production

Antigua's sugar production in 1970 is currently forecast at 10,500 long tons; there was no production the previous year, a result primarily of unfavorable weather conditions which caused an exceptionally low cane crop. Antigua's sugar production declined during the past decade until in 1965 the Government purchased 44 percent of the only sugar mill and in 1966 acquired the remaining portion. In 1967 and 1968 sugar production totaled 4,794 and 1,134 long tons, respectively. Recently, the Board of Management of

the Antigua Sugar and Estates Development Board was selected to operate the Government's sugar industry.

Sugar has been Antigua's major agricultural industry. It employs a labor force of about 4,500, and the Government is making an effort to reestablish production. The industry is very important to the country's economic activity; export earnings from sugar are needed for food imports. Approximately one-third of Antigua's food imports are from the United States; this is expected to increase mainly because of the increasing number of North American tourists.

Chilean Canned Fruit Production Up

Larger than anticipated fruit crops boosted the 1969 Chilean canned fruit pack to 630,000 cases, equivalent 24/2½'s, 9 percent above 1968. Canned peach production is estimated at 563,000 cases, 10 percent above the 1968 pack of 513,000 cases.

CHILEAN PRODUCTION OF
CANNED DECIDUOUS FRUIT

Item	1966	1967	1968	1969
	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹	1,000 cases ¹
Canned peaches	459	563	513	563
Other canned fruit	73	69	65	66

¹ Equivalent 24/2½'s.

More Canned Fruit in Australia

Australian production of canned deciduous fruit has staged a sharp recovery from the short 1969 pack. Total 1970 production is estimated at 10,600,000 cases, equivalent 24/2½'s, 30 percent above 1969 and only 3 percent below the record pack in 1968. Reports indicate an average peach crop which exceeded earlier forecasts. Yields were moderate in the Goulburn Valley of Victoria as a result of heavy rain during bloom, and thinning was not necessary. Peach production was patchy in the Murrumbidgee irrigation area but reasonably good in South Australia. The 1970 canned peach pack is estimated at 4,500,000 cases, 11 percent above 1969. A very heavy Bartlett pear harvest is reported in the Goulburn Valley. Canned pear production is estimated at a record 3,400,000 cases. The mixed fruit and apricot packs are also above last season.

Current season exports of canned deciduous fruit are forecast at 7,500,000 cases, 39 percent above the 1969 level of 5,390,000 cases. Exports of peaches are forecast at 3,000,000 cases, 20 percent above 1969. Record exports are expected in mixed fruits and pears.

SUPPLY AND DISTRIBUTION OF
AUSTRALIAN CANNED PEACHES

Item	1967	1968	1969	1970 ¹
	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²
Beginning stocks (Jan. 1) ...	996	814	359	420
Production	5,038	5,134	4,063	4,500
Total supply	6,034	5,948	4,422	4,920
Exports	3,657	4,112	2,502	3,000
Domestic disappearance	1,563	1,477	1,500	1,500
Ending stocks (Dec. 31)	814	359	420	420
Total distribution	6,034	5,948	4,422	4,920

¹ Forecast. ² Equivalent 24/2½'s.

AUSTRALIAN PRODUCTION OF
CANNED DECIDUOUS FRUIT

Item	1967	1968	1969	1970 ¹
	1,000 cases ²	1,000 cases ²	1,000 cases ²	1,000 cases ²
Peaches	5,038	5,134	4,063	4,500
Pears	2,797	3,206	1,795	3,400
Mixed fruit ³	1,406	1,902	1,568	1,900
Apricot	1,054	724	699	800
Total	10,295	10,966	8,125	10,600

¹ Estimated. ² Equivalent 24/2½'s. ³ Includes two fruits, fruit cocktail and fruit salad.

Imports of Tobacco for Consumption

Imports of unmanufactured tobacco for consumption during February and for January-February cumulative are larger than in the same months for 1969. However, tobacco shipments during these months in 1969 were significantly affected by the east coast dock strike in 1969. Compared with imports in the more normal 1968 period, the current 1970 imports are significantly lower for the month of February, and also for January-February cumulative.

In February 1970 a total of 17.4 million pounds was imported for consumption, compared with a total of 22.2 million pounds in the same month of 1968. Similarly, the cumulative January-February 1970 imports at 34.2 million pounds were less than the 38.5 million pounds during the same 2 months of 1968.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO
[For consumption]

Period and kind	1969		1970	
	Quantity	Value	Quantity	Value
	1,000 pounds	1,000 dollars	1,000 pounds	1,000 dollars
January-February:				
Cigarette leaf (flue & burley)	568	295	1,025	346
Cigarette leaf, other	23,452	16,103	22,970	15,121
Cigar wrapper	64	222	82	314
Mixed filler & wrapper	21	102	40	179
Cigar filler, unstemmed	440	318	261	290
Cigar filler, stemmed	420	565	472	622
Scrap	8,103	2,944	9,258	3,367
Stems	210	14	43	2
Total	33,278	20,563	34,151	20,241
February:				
Cigarette leaf (flue & burley)	—	—	124	31
Cigarette leaf, other	8,422	5,850	11,869	7,738
Cigar wrapper	33	111	59	216
Mixed filler & wrapper	9	34	24	96
Cigar filler, unstemmed	115	82	114	129
Cigar filler, stemmed	169	232	239	321
Scrap	3,888	1,491	4,970	1,909
Stems	140	12	15	(¹)
Total	12,776	7,812	17,414	10,440

¹ Less than \$500.

Bureau of the Census.

Arrivals of Unmanufactured Tobacco

General imports (arrivals) of unmanufactured tobacco for February 1970 and cumulative January-February were heavier than in the same period in 1969, which was affected by the dock strike. However, compared with the same months of 1968—a more normal period—current arrivals of tobacco are substantially lower. Currently foreign-grown tobacco

stocks held by U.S. manufacturers are at relatively high levels.

While oriental cigarette leaf continues to make up the bulk of tobacco imports, there has been continued increase in the imports of flue-cured and burley cigarette leaf.

U.S. GENERAL IMPORTS OF UNMANUFACTURED TOBACCO

Period and kind	1969		1970	
	Quantity	Value	Quantity	Value
	1,000	1,000	1,000	1,000
	pounds	dollars	pounds	dollars
January-February:				
Cigarette leaf (flue & burley)	998	338	4,988	2,236
Cigarette leaf, other	5,017	2,862	45,092	31,900
Cigar wrapper	56	13	103	304
Mixed filler & wrapper	13	53	37	137
Cigar filler, unstemmed	3,029	1,003	6,929	2,389
Cigar filler, stemmed	124	156	295	329
Scrap	1,976	568	5,542	1,631
Stems	188	6	28	1
Total	11,401	5,121	63,014	38,927
February:				
Cigarette leaf (flue & burley)	324	37	1,327	502
Cigarette leaf, other	4,315	2,339	25,914	18,273
Cigar wrapper	36	111	73	242
Mixed filler & wrapper	13	53	16	61
Cigar filler, unstemmed	2,690	810	3,941	1,431
Cigar filler, stemmed	64	80	133	174
Scrap	1,520	468	2,395	650
Stems	125	4	—	—
Total	9,087	3,902	33,799	21,333

Bureau of the Census.

South Korean Tobacco Crop Down

Tobacco production in South Korea for the 1969 crop has apparently not reached earlier goals. The crop has been expanding significantly in recent years and was earlier estimated to reach 176 million pounds for the 1969 crop. Recent reports indicate these goals as overly optimistic and current indications are that production has been drastically revised downward from earlier estimates. The current estimate of 110 million pounds represents a drastic reduction from earlier estimates and a substantial drop from the 154 million pounds produced in 1968. Moreover, the trade indicates some doubt as to whether the current estimate of 110 million pounds may be achieved because the leaves are thinner and the overall crop is lighter throughout.

The burley crop is also estimated at 30 million pounds, down about 10 percent from earlier estimates. It is expected to be a good-quality crop owing to favorable weather, but it will be the smallest production in recent years.

Canada Seeks Tobacco Trade

A Canadian tobacco trade mission sponsored by the Department of Industry, Trade, and Commerce recently visited tobacco markets in Japan, Great Britain, Germany, and Australia. The delegation, made up of representatives of tobacco growers, manufacturers, and the government, returned optimistic about new markets for Canadian leaf in the countries visited.

In past years similar trade missions have met with the British Tobacco Advisory Committee in the United Kingdom to consider purchasing requirements from the Canadian crop. Last year the British Advisory Committee presented estimates

of its requirements from two of these crops. They expected to need about 62 million pounds from the 1969 crop and from 53 to 58 million pounds from the 1970 crop. Based on the Canadian market conditions to date and reports from Marketing Board officials, there has been no indication that the British requirements will exceed these predicted figures. Tobacco imports from Canada into the United Kingdom are granted the Commonwealth duty preference of about 18 cents less duty per pound.

Through March 18, a total of 181 million pounds had been sold by auction for an average of 62.4 U.S. cents, compared with a total of 192 million pounds for 66.7 U.S. cents in the same marketing period a year ago.

South Africa's Tobacco Exports Up

The Republic of South Africa, a growing tobacco producer in recent years, exported a record of 28.2 million pounds of unmanufactured tobacco in 1969. This quantity represents an increase of more than 25 percent over the previous year's record of 22.1 million pounds and an increase of 50 percent over the 1960-64 average. About one-half of the exports went to the United Kingdom in recent years. These, along with shipments to the Netherlands and Australia, comprised an average of 90 percent of total South African tobacco exports during the past 5 years. Exports consist largely of flue-cured, dark, and light air-cured tobacco. In addition to tobacco leaf, South Africa exports some cigarettes, cigars, and smoking tobacco. However, the volume of these manufactured tobacco products has never reached a significant level.

The Republic continues to import unmanufactured leaf for blending purposes and manufacturing, and imports of cigarettes, cigars, and smoking tobacco have been increasing in recent years. Unmanufactured tobacco imports were 8.1 million pounds in 1969, slightly below the 8.5 million pounds imported in 1968 but 75 percent above the 1960-64 annual average of 4.6 million pounds. The high level of imports in 1966 and 1967—totaling 25.3 million pounds and 20.5 million pounds, respectively—was largely a result of low production in South Africa during these 2 years. Most of the unmanufactured tobacco imports originate in Rhodesia, Malawi, and Swaziland.

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Foreign Agriculture

U.S. AGRICULTURAL TRADE WITH LATIN AMERICA: AVERAGES 1935-44, 1945-54, AND 1955-64 AND ANNUAL 1968 AND 1969

Latin American country or region	U.S. imports					U.S. exports				
	Average					Average				
	1935-44	1945-54	1955-64	1968	1969 ¹	1935-44	1945-54	1955-64	1968	1969 ¹
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Mexico	43.5	118.4	220.8	398.8	439.8	13.9	67.6	72.8	80.6	91.3
Caribbean:										
Barbados .....	.2	.1	1.2	1.4	1.3	.2	.6	1.4	3.2	3.3
Cuba ²	150.4	358.8	237.7	.6	0	30.1	132.6	77.0	0	0
Dominican Republic	7.7	38.0	84.6	139.2	148.2	.9	4.2	9.4	30.2	24.7
Haiti	4.6	20.4	14.4	13.2	11.4	1.0	4.7	7.8	9.3	6.3
Jamaica	1.6	1.7	8.8	18.0	13.3	.6	3.7	10.6	29.1	29.5
Trinidad and Tobago	1.8	3.0	6.1	10.2	12.2	.8	1.2	7.9	13.6	13.3
Netherlands Antilles .....	.2	.1	.2	(³)	.1	3.0	2.4	4.8	7.7	11.2
Bahama Islands			1.0	.2	2.2	.2	8.8	8.9	12.5	28.0
Bermuda Islands .....			.1	(³)	(³)	1.1	1.6	6.4	25.6	7.3
Leeward and Windward Islands (Commonwealth)	1.3	2.6	1.4	1.1	.7	.5	.2	1.4	3.8	4.5
French West Indies .....	.5	.6	3.6	7.6	7.5	1.3	1.8	.5	2.3	1.7
Total	168.3	425.3	359.1	191.5	196.9	39.7	161.8	136.1	137.3	129.8
Central America:										
Costa Rica	5.0	22.7	33.6	83.9	94.8	1.2	3.1	6.4	8.4	7.0
El Salvador	8.5	43.1	41.9	39.1	34.4	.5	5.2	9.9	14.8	9.6
Guatemala	10.8	46.6	62.1	65.8	70.2	1.0	2.4	4.1	7.0	10.4
Honduras	6.2	17.0	26.4	69.9	73.8	.6	1.7	4.0	6.2	5.5
Nicaragua	3.2	13.8	21.8	40.3	42.6	.6	4.4	5.8	9.0	5.5
Panama	3.2	8.8	16.0	53.1	46.2	4.0	8.0	10.2	15.6	15.6
British Honduras .....	.3	.2	.9	3.6	4.3	.4	.8	1.6	2.5	2.2
Panama Canal Zone .....	.2	.8	.2	.1	.1	3.6	8.2	2.6	0	0
Total	37.4	153.0	202.9	355.8	366.4	11.9	33.8	44.6	63.5	55.8
South America:										
Argentina	91.8	133.0	101.0	127.6	105.8	2.2	5.5	5.7	3.7	11.9
Bolivia .....	.4	1.2	1.8	2.3	2.3	.6	5.4	10.4	10.4	7.9
Brazil	132.6	574.2	536.0	564.1	499.5	2.6	40.8	68.3	88.1	68.5
Chile	4.4	8.6	5.0	7.7	7.2	.9	9.4	22.7	35.2	26.0
Colombia	58.4	264.8	287.4	178.2	146.9	3.2	19.3	26.7	32.8	31.0
Ecuador	4.4	25.0	56.5	75.9	64.3	.9	5.2	6.8	12.5	11.1
Guyana	(³)	.2	3.2	12.7	13.5	.3	.8	3.0	3.6	4.9
Paraguay .....	.9	2.2	5.1	9.8	9.3	(³)	.4	1.8	3.4	3.2
Peru	4.8	15.8	53.4	96.3	67.0	1.0	10.0	21.0	22.1	15.0
Uruguay	20.7	57.8	14.6	14.1	8.9	.4	1.4	6.6	19.9	2.5
Venezuela	2.2	32.8	27.6	19.3	22.1	6.8	58.6	79.8	90.8	90.9
French Guiana	(³)	(³)	.2	(³)	(³)	.1	.1	(³)	.3	.1
Surinam .....	.2	.2	1.0	.5	.4	.4	.8	2.0	4.1	4.0
Total	320.8	1,115.8	1,092.8	1,108.5	947.2	19.4	157.7	254.8	326.9	277.0
Latin America	570.0	1,812.5	1,875.6	2,054.6	1,950.3	84.9	420.9	508.3	608.3	553.9
Total world	1,352.2	3,461.9	3,930.3	5,028.4	4,954.2	1,027.0	3,179.2	4,649.0	6,228.0	5,935.4
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Latin America's share of U.S. trade	42	52	48	41	39	8	13	11	10	9

¹ Preliminary. ² A U.S. trade embargo went into effect in February, 1962. Subsequent imports reflect tobacco from bonded warehouses. ³ Less than \$50,000. ⁴ Canal Zone included with Panama prior to 1938. Source: U.S. Bureau of the Census.